

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL, FIRST-CLASS PACKAGE SERVICE &
PARCEL SELECT CONTRACT 4 (MC2023-47)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2023-45

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL, FIRST-CLASS PACKAGE SERVICE & PARCEL SELECT
CONTRACT 4, FILED UNDER SEAL**
(June 2, 2023)

The Postal Service hereby provides notice that the terms of Priority Mail, First-Class Package Service & Parcel Select Contract 4, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail, First-Class Package Service & Parcel Select Contract 4 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one calendar day following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

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Sean.C.Robinson@usps.gov
June 2, 2023

ATTACHMENT A
REDACTED AMENDMENT TO
PRIORITY MAIL, FIRST-CLASS PACKAGE SERVICE & PARCEL SELECT
CONTRACT 4

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL,
FIRST-CLASS PACKAGE SERVICE
AND
PARCEL SELECT

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, PM-FCPS-PS Contract 4/Docket No. CP2023-45 regarding Priority Mail, First-Class Package Service and Parcel Select on November 10, 2022.

WHEREAS, the Parties desire to amend the terms in Section I.B, I.D, I.H, I.J, including Tables 3, 4, 7 and 8 and Section I.K, including Table E of the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. Following the day on which the Commission issues all necessary regulatory approval, the Effective Date of this Amendment shall be July 9, 2023.

[Replace Section I.B, I.D, I.H, I.J, including Tables 3, 4, 7 and 8 and Section I.K, including Table E, as follows.]

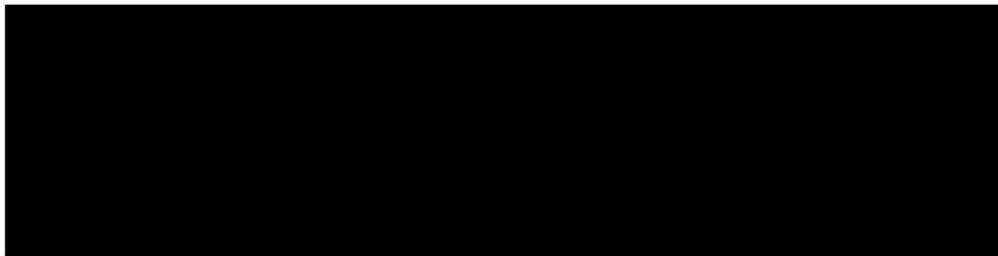
I. Terms

B. This Contract applies to Customer’s inbound and outbound packages (“Contract Packages”), originating from or being returned to its [REDACTED], excluding packages originating from and/or addressed to ZIP Codes contained in Table A below, as follows:

1. Unchanged;
2. USPS Ground Advantage – Commercial packages that do not exceed [REDACTED]

¹ As of July 9, 2023, First-Class Package Service was renamed USPS Ground Advantage. All such references to First-Class Package Service in this SSC will apply to USPS Ground Advantage.

3. Parcel Select pound-rated DSCF packages that do not exceed [REDACTED], excluding [REDACTED]-rated packages, and are not addressed to any ZIP Code in Attachment A (“[REDACTED]”);
4. Parcel Select pound-rated DSCF packages that do not exceed [REDACTED], excluding [REDACTED]-rated packages, and are addressed to any ZIP Code in Attachment A (“[REDACTED]”);
5. Parcel Select pound-rated DNDC packages that do not exceed [REDACTED], excluding [REDACTED]-rated packages, and are not addressed to any ZIP Code in Attachment A (“[REDACTED]”);
6. Parcel Select pound-rated DNDC packages that do not exceed [REDACTED], excluding [REDACTED]-rated packages, and are addressed to any ZIP Code in Attachment A (“[REDACTED]”);
7. Parcel Select Lightweight DSCF packages that do not exceed [REDACTED] and not addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
8. Parcel Select Lightweight DSCF packages that do not exceed [REDACTED] and are addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
9. Parcel Select Lightweight DNDC packages that do not exceed [REDACTED] and not addressed to any ZIP Codes in Attachment A (“[REDACTED]”); and
10. Parcel Select Lightweight DNDC packages that do not exceed [REDACTED] and are addressed to any ZIP Codes in Attachment A (“[REDACTED]”).



The ZIP Codes contained in Attachment A may be modified by the Postal Service.

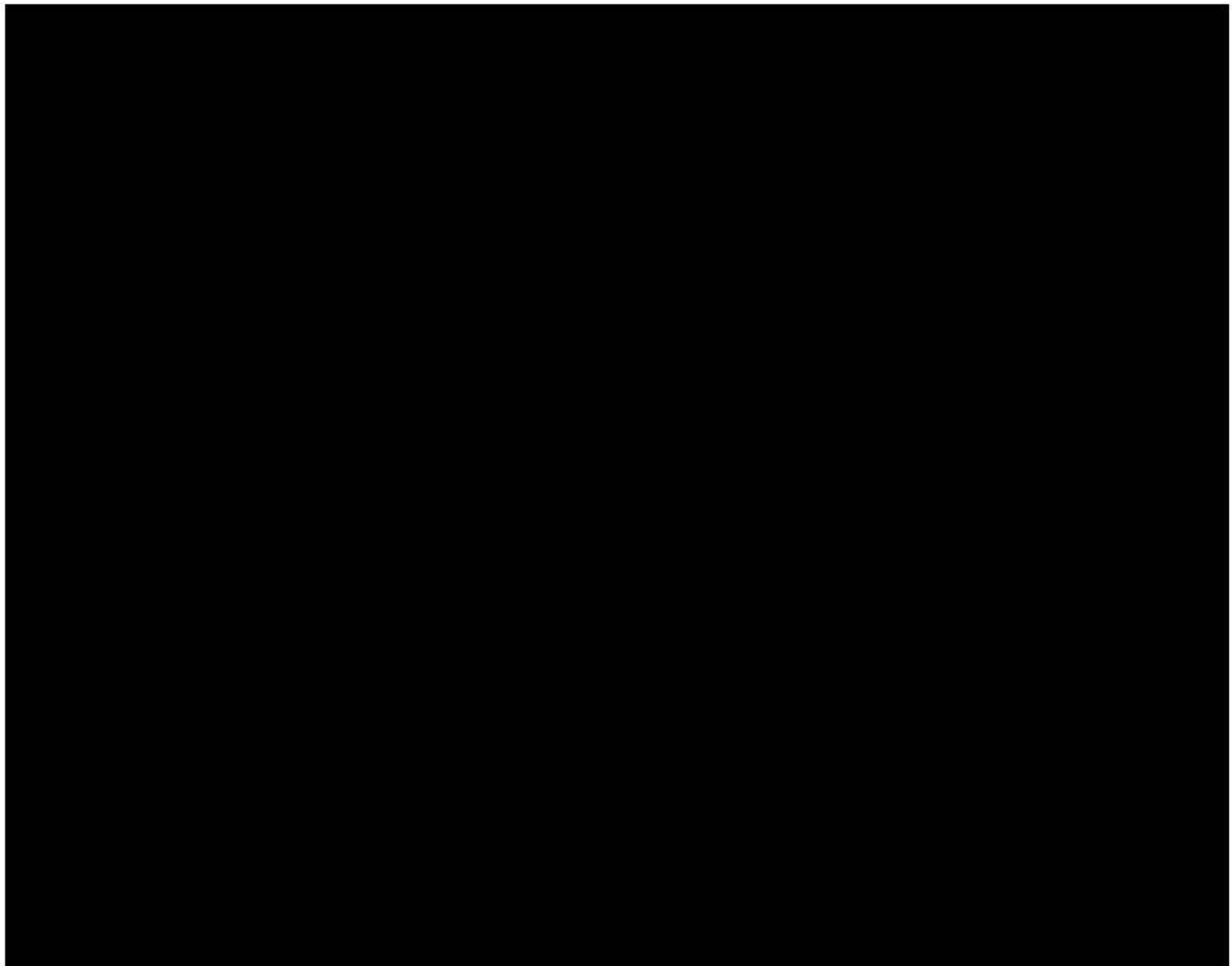
D. Pay Methods and Qualifying Volume.

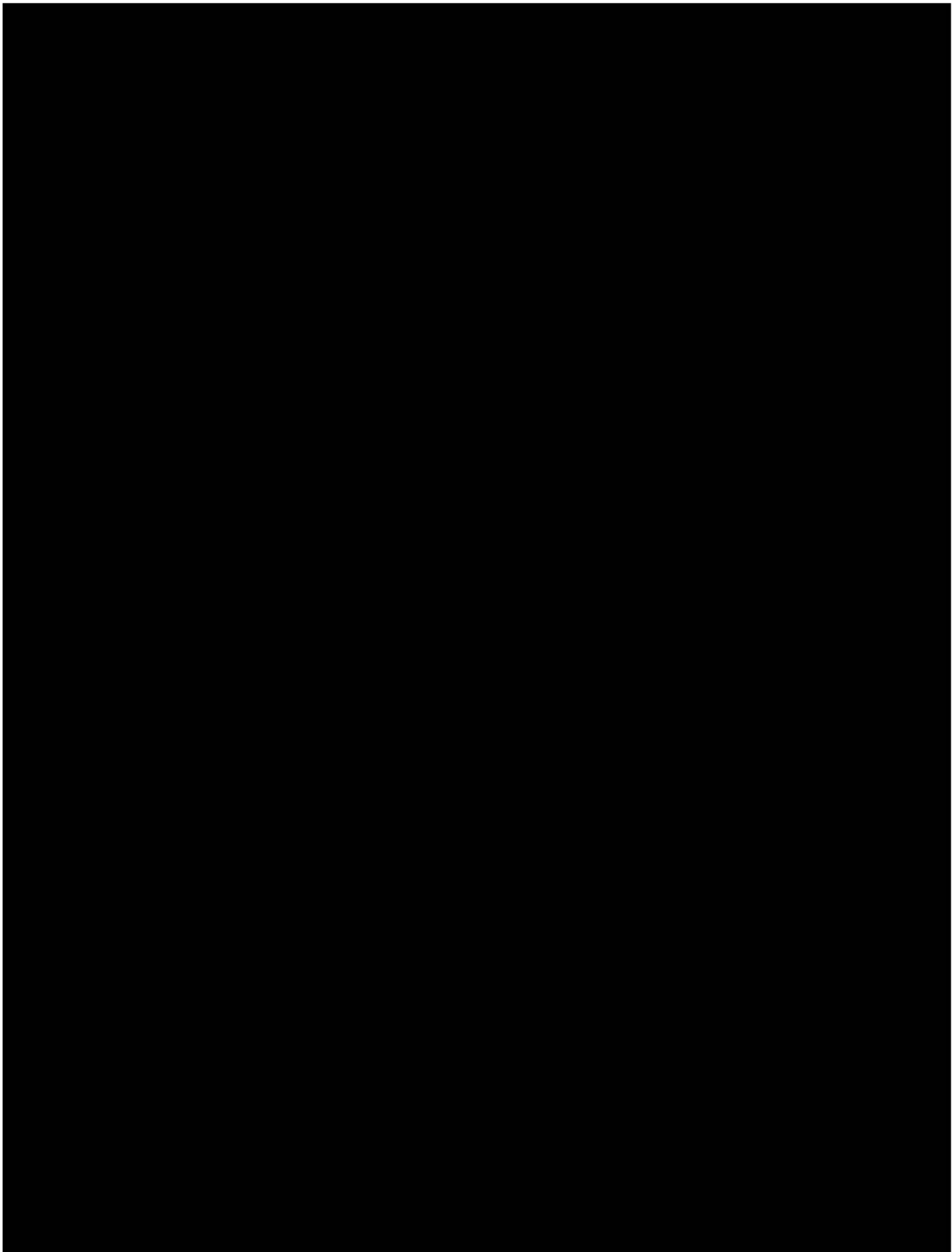
1. Customer will manifest Priority Mail and USPS Ground Advantage Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage meter numbers to ship such packages, and will use the Electronic Verification System (“eVS”), successor eVS, other USPS approved manifest systems or USPS approved PC Postage vendors for payment of such packages and will be required to use separate payment methods for its distribution centers from its ship from stores.
2. Unchanged;
3. Unchanged;
4. Unchanged;

5. Only Priority Mail, USPS Ground Advantage, Parcel Select pound-rated DSCF and DNDC and Parcel Select Lightweight DSCF and DNDC Contract Packages, plus Customer's other Priority Mail, USPS Ground Advantage, Parcel Select pound-rated and Parcel Select Lightweight packages ("Total Packages"), shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitments expressed in Sections I.G.3 with Table C.

H. From the Effective Date of the Contract through the end of the first full Contract Quarter, Customer will pay Tier 1 prices for Contract Packages, pursuant to Tables 1, 2, 3 and 4, respectively. Following the first full Contract Quarter, subsequent tier pricing will be determined by the quarterly average of Total Packages shipped during the term of this Contract. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service in its sole discretion has the right to revert Customer to the most current Priority Mail Commercial, USPS Ground Advantage - Commercial, prevailing published Parcel Select pound-rated DSCF and DNDC and prevailing published Parcel Select Lightweight prices for the subsequent Contract Quarter.

J. Customized Contract Package Price Tables





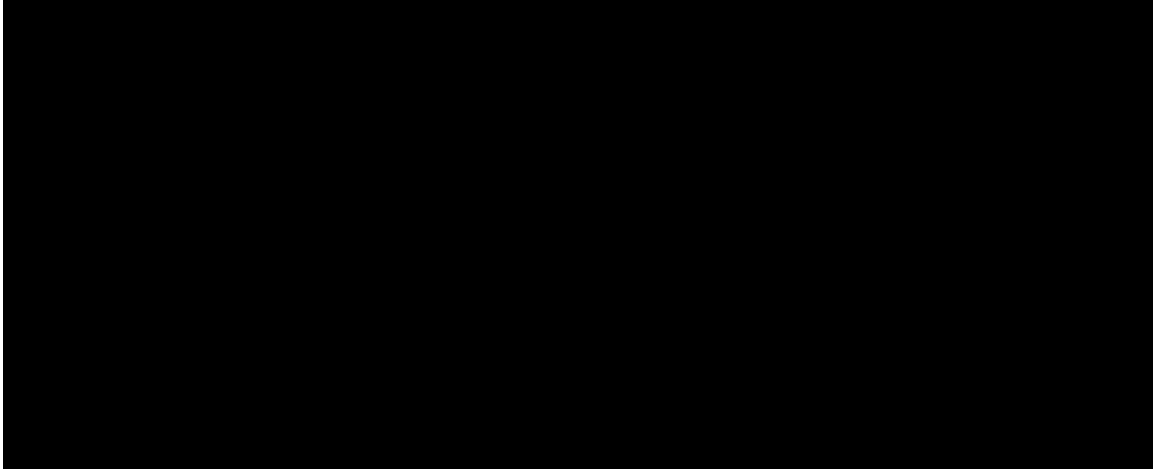
Customer shall pay prevailing published prices for [REDACTED] Contract Packages weighing more than [REDACTED] and all [REDACTED]-rated packages regardless of weight for the duration of this Contract.

K. Annual Adjustment

1. For subsequent years of the Contract, beginning on the first anniversary of the Contract's Effective Date, customized Priority Mail prices under this Contract will be the lesser of: (a) the cumulative, overall percentage change (as of the anniversary date) in prices of general applicability for Priority Mail Commercial, excluding any time-limited price change, as calculated by the Postal Service, or (b) the previous year's prices plus the applicable rate cap percentage in Table D below.
2. For subsequent years of the Contract, beginning on the first anniversary of the Contract's Effective Date, customized USPS Ground Advantage - Commercial prices under this Contract, for Contract Packages weighing more than [REDACTED], will be the lesser of: (a) the cumulative, overall percentage change (as of the anniversary date) in prices of general applicability for USPS Ground Advantage - Commercial, excluding any time-limited price change, as calculated by the Postal Service, or (b) the previous year's prices plus the applicable rate cap percentage in Table E below.
3. For subsequent years of the Contract, beginning on the first anniversary of the Contract's Effective Date, customized Parcel Select pound-rated DSCF and DNDC prices under this Contract will be the lesser of: (a) the cumulative, overall percentage change (as of the anniversary date) in prices of general applicability for Parcel Select pound-rated DSCF and DNDC, excluding any time-limited price change, as calculated by the Postal Service, or (b) the previous year's prices plus the applicable rate cap percentage in Table E below.
4. Unchanged.
5. The rate cap percentage will be determined by the price tier attained by the Customer for Priority Mail, USPS Ground Advantage - Commercial, Parcel Select pound-rated DSCF and DNDC and Parcel Select Lightweight DSCF and DNDC at the conclusion of the last Contract Quarter prior to the anniversary date.
6. However, for subsequent years of the Contract beginning in Calendar Year 2024, on the anniversary of the Contract's Effective Date, if the Customer's volume of Total Packages shipped in the most recent four (4) full Contract Quarters (as of the anniversary date) is less than the quantity of Total Packages shipped during the same period in the prior year (SPLY), the Customer will not be eligible to receive a rate cap percentage for Priority Mail, USPS Ground Advantage - Commercial, Parcel Select pound-rated DSCF and DNDC and Parcel Select Lightweight DSCF and DNDC.
7. Contract Package pricing for Customer's USPS Ground Advantage Contract Packages weighing up to [REDACTED] will be prevailing published prices for USPS Ground Advantage - Commercial throughout the term of the Contract.
8. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for Priority Mail Commercial, USPS

Ground Advantage – Commercial, Parcel Select pound-rated DSCF and DNDC and Parcel Select Lightweight there shall be no change to Contract Package pricing for that Contract Year for the respective product.

Table D [Unchanged.]



9. Unchanged.

{Signature page to follow}

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

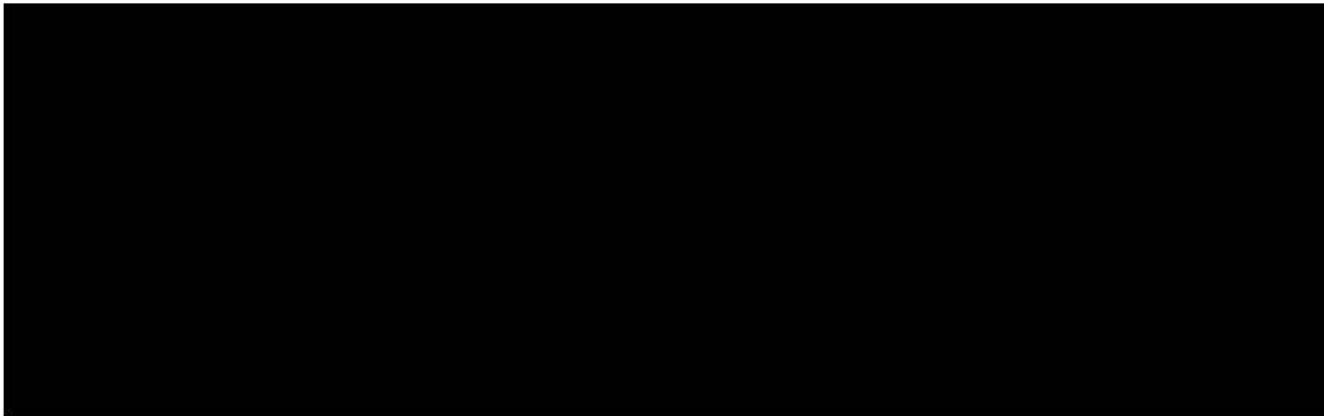
UNITED STATES POSTAL SERVICE

Signed by: Shibani Gambhir

Printed Name: Shibani Gambhir

Title: Vice President Business Development

Date: 5/22/2023



ATTACHMENT B
SIGNED CERTIFICATION

**Certification of Prices for Amendment to
Priority Mail Express, First-Class Package Service
& Parcel Select Contract 4**

I, Lisa H. Arcari, Director, Domestic Package Pricing, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail, First-Class Package Service & Parcel Select Contract 4. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Lisa Arcari

Digitally signed by Lisa Arcari
Date: 2023.06.02 12:39:05
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Lisa H. Arcari